

HOUSE BILL No. 4260

February 10, 2005, Introduced by Reps. Hune, Gaffney, Stewart, Emmons and Nitz and referred to the Committee on Agriculture.

A bill to amend 1951 PA 90, entitled

"An act to regulate the conducting of racing meets in the state of Michigan; to provide for the possession, control and disposition of funds held by licensees for the payment of outstanding winning tickets not claimed or demanded by the lawful owners of such funds; and to prescribe penalties for violations of the provisions of this act,"

by amending section 2 (MCL 431.252), as amended by 1998 PA 505.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. ~~(1) For the calendar year 1998 and each year~~
2 ~~thereafter, all funds~~ **ALL MONEY** held by any licensee for the
3 payment of outstanding winning tickets **OR VOUCHERS** for any race
4 meeting conducted under the horse racing law of 1995, 1995 PA 279,
5 MCL 431.301 to 431.336, ~~which have~~ **THAT HAS** not been claimed by the
6 owner of ~~those funds~~ **THE MONEY** within 60 days after the close of
7 the race meeting, shall be retained by the licensee and distributed

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as follows:

~~—— (a) If the licensee is a standardbred race meeting licensee:~~

~~(A) (i) Fifty percent of the funds shall be retained by the licensee.~~

~~(B) (ii) Fifty percent of the funds shall be deposited into the Michigan agriculture equine fund created in section 20(3) of the horse racing law of 1995, 1995 PA 279, MCL 431.320, and designated for standardbred programs described in section 20(5)(a), (c), (e), (h), and (i) of the horse racing law of 1995, 1995 PA 279, MCL 431.320. DISTRIBUTED TO THE CERTIFIED HORSEMEN'S~~

~~ORGANIZATION WITH WHICH THE LICENSEE HAS A CONTRACT. THE CERTIFIED HORSEMEN'S ORGANIZATION MAY EXPEND THE MONEY RECEIVED UNDER THIS SUBDIVISION ONLY FOR [THE FOLLOWING PURPOSES:~~

~~(i) PURSE SUPPLEMENTS AND BREEDERS' AWARDS FOR LIVE HORSE RACING CONDUCTED AT EITHER OF THE FOLLOWING:~~

~~(A) FAIRS IN THIS STATE.~~

~~(B) LICENSED HORSE RACETRACKS WHERE PARI-MUTUEL WAGERING IS CONDUCTED IN THIS STATE.~~

~~(ii) IF THE CERTIFIED HORSEMEN'S ORGANIZATION CONTRACTS WITH LICENSEES THAT CONDUCT QUARTER HORSE RACES, IN ADDITION TO THE PURPOSES IN SUBPARAGRAPH (i), ANY] PURPOSE RELATED TO THE~~

~~MANAGEMENT, PROTECTION, AND PROMOTION OF LIVE HORSE RACING IN THIS~~

~~STATE, INCLUDING, BUT NOT LIMITED TO, [] PROMOTION, BENEVOLENCE, OFFICE AND ADMINISTRATIVE EXPENSE, PROFESSIONAL FEES, BACKSIDE WELFARE, EMPLOYEE WELFARE, AND INSURANCE PROGRAMS.~~

~~—— (b) If the licensee is a thoroughbred race meeting licensee,~~

~~then 100% of the funds for 1998 shall be earmarked for the~~

~~development and capital improvement for the purpose of~~

~~accommodating thoroughbred racing at existing licensed racing~~

~~facilities that have operated within the 2 years immediately before~~

~~the effective date of the amendatory act that added this~~

~~subdivision within a city area or at a facility located outside a~~

~~city area upon written approval of a certified thoroughbred~~

~~horsemen's organization and approved by the racing commissioner. As used in this subdivision, "city area" and "horsemen's organization"~~

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~~mean those terms as defined in section 2 of the horse racing law of 1995, 1995 PA 279, MCL 431.302. For calendar year 1999 and every year thereafter:~~

~~—— (i) Fifty percent of the funds shall be retained by the licensee.~~

~~—— (ii) Fifty percent of the funds shall be deposited in the Michigan agriculture equine fund established in section 20(3) of the horse racing law of 1995, 1995 PA 279, MCL 431.320, and designated for thoroughbred programs described in section 20(6)(a) to (c) of the horse racing law of 1995, 1995 PA 279, MCL 431.320.~~

~~—— (c) If the licensee is a light horse race meeting licensee:~~

~~—— (i) Fifty percent of the funds shall be retained by the licensee.~~

~~—— (ii) Fifty percent of the funds shall be deposited in the Michigan agriculture equine fund established in section 20(3) of the horse racing law of 1995, 1995 PA 279, MCL 431.320, and designated for light horse programs described in section 20(7), (8), and (9) of the horse racing law of 1995, 1995 PA 279, MCL 431.320.~~

~~—— (d) Funds for uncashed tickets for calendar year 1998 held by the department of treasury that were remitted by licensees shall be distributed as provided in this section.~~

[(2) A CERTIFIED HORSEMEN'S ORGANIZATION THAT RECEIVES MONEY UNDER THIS SECTION SHALL OBTAIN AN ANNUAL INDEPENDENT AUDIT OF THE EXPENDITURE OF THE MONEY. THE CERTIFIED HORSEMEN'S ORGANIZATION SHALL PROVIDE A COPY OF THE AUDIT TO THE RACING COMMISSIONER. THE FIRST AUDIT SHALL BE PROVIDED TO THE RACING COMMISSIONER ON OR BEFORE 1 YEAR AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION AND EACH SUBSEQUENT AUDIT SHALL BE PROVIDED ON THE SAME DATE OF EACH FOLLOWING YEAR.]

(3)] AS USED IN THIS SECTION:

(A) "CERTIFIED HORSEMEN'S ORGANIZATION" MEANS THAT TERM AS DEFINED IN SECTION 2 OF THE HORSE RACING LAW OF 1995, 1995 PA 279, MCL 431.302.

(B) "LICENSEE" MEANS A PERSON THAT HOLDS A RACE MEETING

1 LICENSE AS DESCRIBED IN SECTION 8 OF THE HORSE RACING LAW OF 1995,
2 1995 PA 279, MCL 431.308.